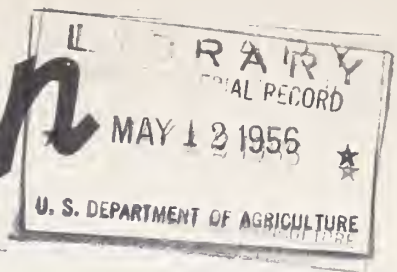


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Foreign



CROPS AND MARKETS

FOR RELEASE MONDAY, APRIL 30, 1956

VOLUME 72

PAGE 18

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FOREIGN CROPS AND MARKETS

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U.S. COTTON EXPORTS INCREASE SLIGHTLY IN FEBRUARY

Exports of cotton from the United States in February 1956 amounted to 104,000 bales of 500 pounds gross (100,000 running bales) increasing slightly from January exports of 81,000 bales, but less than one-third the volume of exports of 319,000 bales in February 1955. Exports during the first 7 months of the 1955-56 marketing year have totaled 883,000 bales (842,000 running bales) or less than 40 percent of the 2,359,000 bales exported in the corresponding period of 1954-55.

The decline in exports was greatest for France, Western Germany, and the United Kingdom, although marked reductions were also evident for all other countries except Spain and Taiwan (Formosa) which showed slight increases over the previous year.

Continuation of this low level of cotton exports is attributed to reluctance of foreign importers to purchase United States cotton throughout 1955, because of price differentials with foreign cottons of similar quality and the expectation that United States prices would be reduced.

UNITED STATES: Exports of cotton by months, August-February, 1954-55 and 1955-56

(Equivalent bales of 500 pounds gross)				
Month	:	1954-55	:	1955-56
	:	1,000	:	1,000
	:	<u>bales</u>	:	<u>bales</u>
August.....	:	198	:	63
September.....	:	209	:	122
October.....	:	366	:	202
November.....	:	404	:	145
December.....	:	515	:	166
January.....	:	348	:	81
February.....	:	319	:	104
Total.....	:	2,359	:	883

Under the cotton export program for 1956-57 (announced February 28, 1956) all qualities of cotton in stocks owned by the Commodity Credit Corporation will be made available to United States cotton exporters on a competitive bid basis for export sales. These stocks now include only cotton from the 1954 and earlier crops. First offers for this cotton were accepted up to 3:45 p.m. Central Standard Time on April 24, 1956. Subsequent offers will be accepted every 2 weeks until further notice. Sales abroad can begin immediately, but export movement is not permitted until after July 31, 1956.

UNITED STATES: Exports of cotton by countries of destination,
averages 1935-39 and 1945-49; annual 1953 and 1954;
August-February 1954-55 and 1955-56

(Equivalent bales of 500 pounds gross)

Country of destination	Year beginning August 1						August-February	
	Average		1953		1954		1954-55:1955-56	
	1935-39:1945-49:		1953		1954		1954-55:1955-56	
	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
	bales	bales	bales	bales	bales	bales	bales	bales
Austria.....	0	1/ 36	42	15	12	6		
Belgium.....	169	131	68	66	56	3		
Czechoslovakia.....	65	57	0	0	0	0		
Denmark.....	33	14	23	21	14	0		
Finland.....	35	21	10	13	2/	15		
France.....	662	575	475	416	309	71		
Germany, West.....	511	340	389	350	277	33		
Italy.....	442	489	269	249	169	30		
Netherlands.....	107	131	104	95	71	3		
Norway.....	17	7	14	12	8	0		
Poland and Danzig.....	180	69	0	0	0	0		
Portugal.....	36	2/	0	11	0	0		
Spain.....	108	69	167	197	72	85		
Sweden.....	115	12	43	51	39	2		
Switzerland.....	11	26	24	37	33	8		
United Kingdom.....	1,346	488	422	421	314	45		
Yugoslavia.....	17	47	40	103	40	1		
Other Europe.....	31	3/ 33	10	9	6	2		
Total Europe.....	3,885	2,545	2,100	2,066	1,420	304		
Canada.....	301	275	237	307	192	41		
Chile.....	9	20	27	10	7	4		
Colombia.....	20	24	7	2	1	9		
Cuba.....	11	16	20	19	15	3		
India.....	52	86	161	61	56	4		
China.....	117	401	0	0	0	0		
French Indochina.....	22	6	16	0	0	0		
Indonesia.....	2/	5	22	27	18	8		
Japan.....	1,142	585	1,005	678	449	342		
Korea, Republic of.....	4/	5/ 48	96	170	74	59		
Taiwan (Formosa).....	4/	1	110	120	53	59		
Australia.....	9	7	45	52	31	10		
Other countries.....	21	46	6/ 68	7/ 73	43	40		
Total 500-lb. bales:	5,589	4,065	3,914	3,585	2,359	883		
Total running bales:	5,300	3,917	3,761	3,447	2,268	842		

1/ 4-year average. 2/ Less than 500 bales. 3/ Includes Greece 21.
4/ If any, included in "Other countries." 5/ 3-year average. 6/ Israel
12, Ethiopia 11. 7/ Israel 20, French Morocco 11.

Compiled from official records of the Bureau of the Census.

SPAIN DOUBLES TARIFF RATE ON COTTON IMPORTS

The Government of Spain, by order of March 27, 1956, has doubled the rates of customs duty to be paid on all imports into (including raw cotton), and dutiable exports from the country, effective as of April 1, 1956.

Spanish customs duties are mostly specific rates fixed in terms of gold pesetas, but are payable in paper peseta currency notes. The increase was effected by doubling the paper peseta rate per gold peseta from the ratio of 3.577 paper pesetas per gold peseta, which had been in effect for nearly 20 years, to a ratio of 7.154 or exactly double the old rate.

Spain is one of the few European countries which have an import duty on raw cotton. Expressed in terms of gold pesetas (1 peseta equals approximately 9 U. S. cents for duty conversion purposes) the Spanish tariff rate of 18 gold pesetas per metric ton of cotton amounts to approximately 0.07 U. S. cent per pound, or approximately 35 cents per bale of 500 pounds gross.

U. S. SHARE OF FOREIGN COTTON MARKETS CONTINUES AT REDUCED LEVELS

The United States share of the cotton markets in 11 out of 12 of the major cotton importing countries continued at the sharply reduced levels evident throughout the 1955-56 season. Only in Spain did the United States share of cotton imports increase over last year.

Imports of United States cotton by Canada dropped from 95 percent of the total in August-December 1954 to only 34 percent in the same months of the current season.

In the United Kingdom the reduction for August-January imports was from 39 to 18 percent of the total. The decline in France was from 36 to 11 percent; Western Germany from 33 to 7 percent; Italy from 41 to 23 percent; Switzerland from 34 to 8 percent; the Netherlands from 22 to 5 percent; Japan from 37 to 26 percent; Belgium from 16 to 8 percent; India from 24 to 2 percent; and Hong Kong from 5 to 1 percent. Spain's imports of United States cotton in August-February 1955-56 were 77 percent of the total as compared with 43 percent a year earlier. (See table on following page)

COTTON: Share of United States and other supplying countries in specified import markets, portions of 1954-55 and 1955-56 marketing years as shown

(Equivalent bales of 500 pounds gross)

Importing country	Reporting period	Supplying country	Quantity imported:		Supplying countries share of market	
			1954-55	1955-56	1954-55	1955-56
			period	period	period	period
			1,000 bales	1,000 bales	Percent	Percent
Belgium.....	Aug.-Dec.	United States	32	13	16	8
		Mexico	44	39	22	25
		Belgian Congo	36	27	18	17
		Total 1/	196	156		
France.....	Aug.-Feb.	United States	300	74	36	11
		French Colonies	134	130	16	19
		Syria	97	138	12	20
		Total 1/	823	677		
Germany, West.....	Aug.-Jan.	United States	211	45	33	7
		Mexico	95	214	15	35
		Egypt	42	49	7	8
		Total 1/	632	620		
Italy.....	Aug.-Nov.	United States	79	38	41	23
		Brazil	27	22	14	13
		Total 1/	195	163		
Netherlands.....	Aug.-Oct.	United States	14	3	22	5
		Mexico	21	25	33	39
		Total 1/	64	64		
Spain.....	Aug.-Feb.	United States	62	77	43	77
		Brazil	43	15	30	15
		Total 1/	144	100		
Switzerland.....	Aug.-Jan.	United States	38	9	34	8
		Egypt	20	34	18	31
		Total 1/	112	108		
United Kingdom.....	Aug.-Jan.	United States	299	124	39	18
		Sudan	66	115	9	17
		Total 1/	774	685		
Canada.....	Aug.-Dec.	United States	138	52	95	34
		Mexico	2	90	1	58
		Total 1/	145	155		
Hong Kong.....	Aug.-Feb.	United States	7	1	5	1
		India	1	38	1	30
		Pakistan	36	31	28	24
		Total 1/	128	127		
India.....	Aug.-Nov.	United States	28	2	24	2
		Br. E. Africa	52	45	44	35
		Egypt	29	40	25	31
		Total 1/	118	127		
Japan.....	Aug.-Feb.	United States	410	298	37	26
		Mexico	317	271	28	23
		Total 1/	1,118	1,158		

1/ Includes imports from sources not listed.

FRANCE MAY HAVE LITTLE OR NO WHEAT FOR EXPORT
DURING THE 1956-57 MARKETING SEASON

As a result of 3 cold waves in February, which according to recent estimates, destroyed over 50 percent of the country's 1956 winter wheat crop, France may have little or no wheat to export during the 1956-57 (August-July) marketing season. This would be in sharp contrast with the country's position during the past 3 years during which period France rose to fifth place among the world's wheat exporters, being exceeded only by the United States, Canada, Argentina and Australia.

Current indications are that the 1956 crop will range between 6 and 7 million metric tons (220 and 257 million bushels). This estimate is based on average yields from the 2.2 million hectares (5.4 million acres) of winter wheat that were not destroyed, and from an estimated 1 million hectares (2.5 million acres) of spring wheat. Last year, the French wheat crop amounted to 390 million bushels from 11.3 million acres.

The abnormally cold weather moderated sufficiently during the last half of March to permit farmers to prepare land for spring seeding of wheat and barley. As a result, a considerably larger wheat acreage was spring seeded than earlier forecasted. In addition to the 1 million hectares (2.5 million acres) seeded to spring wheat, about 1.3 million hectares (3.2 million acres) of the 1956 wheat acreage destroyed by the freeze will be sown to other crops, mostly barley. As a result, France this year is expected to have a large barley surplus if average yields are obtained. Last year, France produced 122 million bushels of barley from 3.3 million acres.

The country's 1956 corn plantings are also expected to be increased, probably by about 100,000 hectares (247,000) over those of a year ago. If the corn crop is normal on this increased acreage, France may be nearly self-sufficient for that grain during 1956-57. Imports in recent years have averaged around 300,000 tons (12 million bushels) annually. Last year's corn crop in France amounted to 39.3 million bushels from 1.1 million acres.

Although the lack of rainfall during the last half of March and the first half of April favored spring seeding operations, farmers and agricultural officials are now worrying about drought damage. A serious drought following upon the disastrous February freeze would pose additional problems to the French economy and international trading position.

Exports of wheat and flour from France during the first 7 months (August-February) of the current (1955-56) marketing season, amounted to 1,819,000 tons, wheat equivalent. Of that quantity, 155,000 tons went to French overseas territories and 1,664,000 tons to foreign countries, principally the United Kingdom, Poland, Germany, the Netherlands, Switzerland and Denmark. Because of the freeze damage to the 1956 crop, all further exports were prohibited in mid-February except for deliveries on orders already approved by the French Cereals Office.

As a result of that prohibition, total wheat and flour exports during the 1955-56 season will not exceed 1,960,000 tons (72 million bushels) grain equivalent. This represents a reduction of 22 percent from the 2,528,000 tons (93 million bushels) exported in 1954-55. Of that quantity, 248,000 tons went to French territories and 2,280,000 tons to foreign countries, mostly in Europe. Before the freeze, this year's (1955-56) exports were expected to total 2,450,000 tons (90 million bushels), of which 250,000 tons were scheduled for French overseas areas and 2,200,000 tons for foreign countries.

CANADA REPORTS INCREASED MARCH 31 GRAIN STOCKS

Total stocks of wheat, oats, barley, and rye in Canada at the end of March were somewhat larger than stocks a year ago and sharply above the average of the past 10 years, according to the Dominion Bureau of Statistics. Current estimates are based on reports of farm stocks from the Bureau's crop correspondents, reports from mill operators to the Bureau, and the Board of Grain Commissioners' reports of visible stocks at the close of business on March 28, 1956.

On a tonnage basis, current stocks of the 4 grains amount to 32 million short tons, 5 million tons above the March 1955 total and 13 million, or 68 percent, above the average for the past 10 years. The bulk of the increase is in wheat though substantial increases are also reported for oats and barley. Rye stocks were slightly below those of a year ago but were almost double the average for the past 10 years.

Wheat stocks at the end of March were reported at 752 million bushels, one of the largest end of March stocks of record. Of that total, 404 million bushels remained on farms, an all-time record for stocks in that position on March 31. The previous high was in 1954 when farm stocks were placed at 402 million bushels. About 98 percent of farm stocks of wheat were held in the Prairie Provinces. Stocks on farms in Manitoba were placed at 24 million bushels, in Saskatchewan at 255 million and in Alberta, 117 million.

March-end stocks of oats are estimated at 238 million bushels. Though somewhat above both last year and the 10-year average, this is well below the record of 394 million bushels in 1943. Stocks on farms were 213 million bushels, 89 percent of total stocks. Of that total, 26 million bushels were in Manitoba, 90 million in Saskatchewan and 57 million in Alberta.

Total barley stocks were estimated at 197 million bushels. This compares with 176 million bushels a year earlier and the average of 129 million for the 10 years ended March 1955. Of that total, 147 million bushels were on farms, 143 million of it in the Prairie Provinces.

Rye stocks of 24.7 million bushels were very slightly below the 1955 level but were sharply above the 10-year average of 13 million bushels. Farm stocks accounted for 17 million bushels of the current total.

CANADA: Grain stocks in all positions, March 31, 1956
with comparisons

Position	Wheat	Oats <u>1/</u>	Barley	Rye
	1,000	1,000	1,000	1,000
	bushels	bushels	bushels	bushels
<u>In Canada</u>				
On farms.....	403,760	213,400	146,800	17,000
Country elevators.....	200,541	17,752	28,510	3,373
Interior private and mill elevators....	6,346	572	1,792	39
Interior terminal elevators.....	13,790	15	535	27
Vancouver - New Westminster elevators..	10,217	60	2,187	26
Victoria elevator.....	745	-	1	-
Prince Rupert elevator.....	37	-	769	-
Churchill elevator.....	4,206	30	-	-
Fort William-Port Arthur elevators....	52,406	2,789	12,706	2,348
Storage afloat.....	8,505	-	-	-
In transit - rail.....	14,777	2,487	2,921	577
Eastern elevators.....	33,078	743	957	1,265
Eastern mills (mill bins only).....	2,694	216	130	6
Western mills (mill bins only).....	402	66	22	8
Total in Canada <u>3/</u>	751,503	238,131	197,329	24,670
Canadian grain in the United States.....	117	-	-	-
Total Canadian grain in North America...	751,620	238,131	197,329	24,670
<u>March 31, 1955 stocks <u>4/</u></u>				
In Canada.....	621,214	199,999	175,128	24,239
In the United States.....	36	911	605	1,122
Total in North America.....	621,250	200,910	175,733	25,361
<u>1945-1954 average.....</u>	<u>396,548</u>	<u>213,633</u>	<u>129,042</u>	<u>13,366</u>
<u>1/</u> In bushels of 34 pounds. <u>2/</u> Less than 500 bushels. <u>3/</u> Subject to revision. <u>4/</u> Revised.				

From reports of the Dominion Bureau of Statistics and the Board of Grain Commissioners for Canada.

AUSTRALIA REMOVES IMPEDIMENTS AGAINST U. S. HOPS

The Australian Government has added hops to its quarterly all-country budget list effective April 20, 1956. This list specified the commodities which may be imported regardless of country currency considerations. Australian importers can now purchase hops wherever they can be obtained at the lowest price.

During the past 5 years Australian purchases of imported hops have been limited to hops from nondollar areas because of dollar exchange restrictions. Australia was once a fairly important export outlet for United States hops. During the 5-year period ending September 31, 1950, United States exports of hops to Australia averaged 664,200 pounds annually. Because of the dollar exchange situation, however, no United States hops have been sold in that market since that time until October-December 1955.

U.S. GRASS AND LEGUME SEEDS EXPORTS INCREASED
DURING FEBRUARY 1956

Exports of United States grass and legume seeds during February 1956 amounted to more than 5 million pounds, the largest amount for the present crop year, and one-third larger than during February last year. However, total exports this year are only about 30 percent of the record 1954-55 crop year. Alfalfa exports continued at a very high level.

U. S. Exports: Grass and Legume Seeds, February 1956,
with comparisons

Kind of Seed	February		July 1, 1954, to February 28, 1955	July 1, 1955, to February 29, 1956 ^{1/}
	1955	1956 ^{1/}		
	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds
Alfalfa.....	935	2,600	10,058	8,647
Alsike.....	13		532	58
Other clovers.....	644	282	9,865	1,530
Fescue.....	161		1,350	420
Kentucky bluegrass.....	48		984	227
Orchardgrass.....	16		188	26
Redtop.....	23		408	387
Timothy.....	337		664	555
Other grasses.....	1,584	2,122	21,937	6,209
TOTAL.....	3,761	5,004	45,986	18,059

^{1/} Grass and legume seeds data on exports limited to three categories by Bureau of the Census, effective January 1, 1956. "Other clovers" now includes alsike; fescue, etc., have been added to "other grasses".

Compiled from official statistics of the Bureau of the Census.

U.S. COMBINED WHEAT AND FLOUR EXPORTS
SLIGHTLY BELOW A YEAR AGO

United States wheat and flour exports during the first 8 months (July-February) of the 1955-56 marketing season amounted to 171 million bushels compared with 175 million during the same period a year ago. Exports in the form of grain totaled 139 million bushels compared with 148 million a year ago. On the other hand, flour exports increased to 32 million bushels (grain equivalent) compared with 28 million last year.

United States Exports of Wheat and Flour During Stated Periods

Destination	July-February 1954-55			July-February 1955-56		
	Wheat	Flour 1/	Total	Wheat	Flour 1/	Total
	(Thousands of bushels, grain equivalent)					
Western Hemisphere						
Canada.....	2	51	53	1,296	194	1,490
Mexico.....	13	6	19	2,367	9	2,376
Central America.....	362	2,306	2,668	511	2,641	3,152
Cuba.....	874	2,379	3,253	1,017	2,290	3,307
British West Indies.....	-	1,630	1,630	-	1,594	1,594
Columbia.....	118	183	301	1,345	63	1,408
Venezuela.....	123	2,129	2,252	65	2,849	2,914
Peru.....	1,068	91	1,159	3,219	143	3,362
Bolivia.....	1,448	580	2,028	919	706	1,625
Chile.....	-	56	56	1,388	4	1,392
Brazil.....	8,764	5	8,769	8,969	218	9,187
Others.....	219	2,497	2,716	502	2,386	2,888
Total	12,991	11,913	24,904	21,598	13,097	34,695
Europe						
Norway.....	3,340	1,044	4,384	1,097	995	2,092
United Kingdom.....	20,776	269	21,045	8,458	760	9,218
Netherlands.....	6,800	2,747	9,547	11,515	2,533	14,048
Belgium-Luxembourg.....	4,691	10	4,701	2,579	13	2,592
West Germany.....	15,871	62	15,933	9,483	1	9,484
Spain.....	2,254	-	2,254	545	-	545
Portugal.....	1,308	163	1,471	1,325	198	1,523
Italy.....	388	32	420	2,925	946	3,871
Yugoslavia.....	29,934	9	29,943	18,314	6	18,320
Greece.....	8,607	2	8,609	8,436	4	8,440
Others.....	1,661	76	1,737	362	35	397
Total	95,630	4,414	100,044	65,039	5,491	70,530
Asia						
Turkey.....	4,818	-	4,818	400	-	400
Israel.....	3,928	6	3,934	4,054	6	4,060
India.....	2,322	43	2,365	1,656	35	1,691
Philippines.....	1	3,050	3,051	-	3,066	3,066
Indochina.....	-	-	-	-	1,228	1,228
Korea.....	1,133	548	1,681	1,188	-	1,188
Formosa.....	3,876	-	3,876	4,013	5	4,018
Japan.....	20,218	483	20,701	30,366	772	31,138
Others.....	1,043	3,988	5,031	2,929	3,996	6,925
Total	37,339	8,118	45,457	44,606	9,108	53,714
Others						
Egypt.....	-	598	598	4,925	162	5,087
Other Africa.....	1,612	2,650	4,262	2,920	3,197	6,117
Oceania.....	-	7	7	-	9	9
Unspecified.....	-	44	44	4	450	454
Total	1,612	3,299	4,911	7,849	3,818	11,667
World Total.....	147,572	27,744	175,316	139,092	31,514	170,606
1/ Wholly of U.S. wheat.						

Wheat exports to Europe show a reduction of more than 30 million bushels, principally because of greatly reduced shipments to the United Kingdom, Yugoslavia and Western Germany. Exports to Turkey also show a large reduction. These reductions, however, were largely offset by increased exports to Japan, Egypt, the Netherlands, Italy, Mexico and Peru.

The outstanding development with respect to flour exports during this 8-months period was the greatly increased quantities sold to Indochina (Vietnam, Laos and Cambodia). Substantial increases also took place in flour sales to Italy, Venezuela, the United Kingdom, Central America, Japan, Indonesia and Brazil. About the only countries taking substantially less flour than a year ago were Korea, the Netherlands and Colombia.

EGYPT BARTERS RICE FOR CORN

Egypt has agreed to ship 25,000 long tons (1 long ton = 2,240 pounds) of rice to the Union of South Africa in exchange for 50,000 tons of white corn. This barter agreement was reached recently between an Egyptian trade delegation and South Africa. The rice is priced at 41.50 Egyptian pounds per long ton (5.34 per 100 pounds) c.i.f. Corn shipments are expected to be delivered in May or June.

U. S. RICE EXPORTS SHOW MODERATE INCREASE

United States rice exports in February of 486,000 bags were up moderately as compared with January shipments of 324,000 bags, and were substantially above the 250,000 bags exported in the corresponding month of a year earlier. Largest exports during the month were 217,000 bags of broken rice to French West Africa and 187,000 bags of milled rice, containing over 25 whole kernels, to Cuba.

Exports during the August-February period of the 1955-56 marketing year totaled 6,171,000 bags, or 1,569,000 bags more than in the corresponding months of the year before. An increase in exports to Japan, and some shipments to Indochina and India, brought total exports to Asia sharply above those of the August-February period of the year before. Exports to Africa and Oceania also increased. Rice exports to the Western Hemisphere and Europe declined 29 and 36 percent, respectively.

RICE: United States exports, in terms of milled, to specified countries, February 1956, with comparisons 1/

Country of destination	August-July		August-February		February	
	1953-54	1954-55	1954-55	1955-56	1955	1956
	1,000	1,000	1,000	1,000	1,000	1,000
	bags	bags	bags	bags	bags	bags
Western Hemisphere:						
Canada	633	560	403	301	21	22
British Honduras	17	33	22	25	3	4
Honduras	3	30	15	16	1	1
Haiti	2	124	55	2	1	<u>2/</u>
Cuba	4,755	3,391	2,829	2,004	172	187
Netherlands Antilles	53	38	25	18	4	1
Bolivia	5	0	0	153	0	0
Colombia	314	205	191	10	9	0
Venezuela	215	84	59	16	1	1
Other countries	30	10	3	19	1	1
Total	6,027	4,475	3,602	2,564	213	217
Europe:						
Belgium & Luxembourg	206	460	169	152	10	0
Greece	11	5	5	<u>2/</u>	<u>2/</u>	<u>2/</u>
Ireland	0	16	16	0	<u>2/</u>	0
West Germany	29	38	9	27	<u>2/</u>	0
Netherlands	12	71	7	5	0	0
Sweden	1	72	70	8	1	1
Switzerland	57	53	49	17	0	<u>2/</u>
Other countries	24 <u>3/</u>	99	7	3	0	1
Total	340	814	332	212	11	2
Asia:						
India	0	0	<u>2/</u>	215	0	10
Indochina	0	0	0	220	0	0
Korea, Republic of <u>4/</u>	590	<u>2/</u>	<u>2/</u>	0	0	0
Japan	8,538	4,125	393	2,281	<u>2/</u>	1
Saudi Arabia	130	136	121	63	2	9
Philippines	<u>2/</u>	25	<u>2/</u>	22	<u>2/</u>	0
Other countries	25	11	8	13	2	6
Total	9,283	4,297	522	2,814	4	26
Total Oceania	17	19	16	21	3	4
Liberia	67	219	119	118	18	18
French West Africa	0	0	0	416	0	217
Other Africa	6	10	5	13	0	0
Other <u>5/</u>	8	14	6	13	1	2
Total world	15,748	9,848	4,602	6,171	250	486

1/ Includes brown, broken, screenings and brewers' rice, and rough rice converted to terms of milled at 65 percent. 2/ Less than 500 bags. 3/ Includes 58,000 bags to Trieste and 23,000 bags to Austria. 4/ Adjusted to include all programs of the Department of Defense and the International Cooperation Administration. 5/ Starting with January 1954, "other" includes shipments valued at less than \$500 each when the number of such shipments to a country in a given month is few.

Source: Bureau of the Census, except as noted.

RICE: United States exports, by country of destination and
by classification, February 1956 1/

Country of destination	Rough		Milled		Total (in terms of milled)
	Un-	In terms	Not over	Over 25%	
	milled	of milled	25% whole	whole	
	Bags	Bags	Bags	Bags	Bags
<u>Western Hemisphere:</u>					
Canada	7,039	4,576	502	16,645	21,723
British Honduras	0	0	0	4,020	4,020
Honduras	0	0	1,000	0	1,000
Bermuda	0	0	0	427	427
Cuba	7,857	5,107	6,000	175,940	187,047
Haiti	0	0	0	450	450
Netherlands Antilles	0	0	0	1,451	1,451
Panama	140	91	0	0	91
Venezuela	2,117	1,376	0	0	1,376
Total	17,153	11,150	7,502	198,933	217,585
<u>Europe:</u>					
Denmark	0	0	0	113	113
Greece	0	0	0	150	150
Iceland	0	0	0	90	90
Sweden	0	0	0	1,030	1,030
Switzerland	0	0	0	330	330
Total	0	0	0	1,713	1,713
<u>Asia:</u>					
India	0	0	0	10,400	10,400
Japan	0	0	0	800	800
Saudi Arabia	0	0	0	9,126	9,126
Nonsei and Nonpo	0	0	0	0	0
Islands, n.e.s.	0	0	0	6,000	6,000
Total	0	0	0	26,326	26,326
<u>Africa:</u>					
Liberia	0	0	0	17,817	17,817
French West Africa ..	0	0	216,641	0	216,641
Total	0	0	216,641	17,817	234,458
Trust Territory of the ..	0	0	0	0	0
Pacific	0	0	100	3,820	3,920
Other <u>2/</u>	0	0	1,000	1,065	2,065
Total world	17,153	11,150	225,243	249,674	486,067

1/ Preliminary. 2/ Starting with January 1954, "other" includes shipments valued at less than \$500 each when the number of such shipments to a country is few.

Source: Bureau of the Census.

ITALY ANNOUNCES RICE ACREAGE QUOTAS

Italian rice farmers are being allotted acreage quotas for the 1956 rice crop now being seeded. Total commercial production is limited to 650,000 metric tons (1 metric ton = 2,204.6 pounds) of rough rice, or about 25 percent below that of the 2 preceding years. Rice harvests in 1954 and 1955 were about 900,000 tons and 860,000 tons, respectively.

Rice produced within the quota allotments will be supported at 6,000 lire per metric quintal (\$4.35 per 100 pounds) for common unmilled rice. The Ente Nazionale Risi (National Rice Office) will pay international prices (currently about the equivalent of 4,000 lire per quintal, or \$2.90 per 100 pounds) for rice grown in excess of the quota.

Farmers growing rice on two hectares (4.9 acres), or less, will have their rice acreage excluded from acreage quotas. Otherwise, quotas will be assigned on the basis of historical acreage and on the type of varieties produced.

WESTERN GERMANY TO PURCHASE 9 MILLION BUSHELS OF SWEDISH WHEAT ANNUALLY

The Swedish Foreign Office recently announced the conclusion on April 7 of a Swedish-Western German trade agreement under which Western Germany agrees to purchase 250,000 metric tons (9.1 million bushels) of Swedish wheat annually for a 3-year period ending July 31, 1958. The commitment is effective retroactively from August 1, 1955. It was concluded in Bonn, Germany but its formal signing was scheduled to take place in Stockholm, Sweden in mid-April.

YUGOSLAVIA PURCHASING SEEDS FOR SPRING PLANTING

Yugoslavia has recently contracted for the purchase of 883 tons of seed for spring planting. The purchase amounts to approximately 70 million dinars or U.S.\$ 233,000. About 700 tons of hybrid corn seed will be imported from the United States and the remaining 183 tons of seed will be purchased from European countries, with 130 tons of alfalfa coming from northern France. The country also expects to purchase a quantity of vegetable seeds.

EGYPT'S COTTON EXPORTS INCREASE OVER LAST YEAR

Egypt's cotton exports of 909,000 bales (500 pounds gross) during the first 7 months (August-February) of the 1955-56 marketing year represented an increase of 38 percent over exports of 659,000 bales in the corresponding months of 1954-55. Much of the increase was in exports to India and Communist countries, although a moderate upward trend was also noted for a few Western European countries.

Principal destinations of Egyptian cotton in the current period with corresponding 1954-55 figures in parentheses were: India 137,000 bales (80,000); Czechoslovakia 103,000 (23,000); France 88,000 (86,000); China 79,000 (22,000); Italy 63,000 (58,000); Japan 51,000 (40,000); Switzerland 50,000 (28,000); United States 42,000 (33,000); Poland 35,000 (24,000); United Kingdom 33,000 (42,000); U.S.S.R. 31,000 (46,000); Rumania 30,000 (12,000); Hungary 28,000 (10,000); and Western Germany 25,000 (53,000).

The Government's third and final official estimate of the 1955-56 cotton crop places production at 1,535,000 bales, down considerably from earlier estimates, and 4 percent below the 1954-55 crop of 1,598,000 bales. Acreage for the 1955-56 crop remained at 1,885,000 acres as compared with 1,639,000 in 1954-55. The reduction in yields for the 1955-56 crop was attributed to damage from cotton leaf worm. Acreage and production by staple length and principal variety are shown in the following table.

EGYPT: Cotton acreage and production by staple length and principal variety, final estimates crop years September 1 - August 31, 1954-55 and 1955-56

(In equivalent bales of 500 pounds gross)					
Staple length and principal variety	1954-55		1955-56		
	Acreage	Production	Acreage	Production	
	1,000	1,000	1,000	1,000	
	acres	bales	acres	bales	
Cotton over 1-3/8 inch (Karnak, Menoufi).....	617	529	872	550	
Cotton over 1-1/4 inch (Giza 30, Giza 31).....	461	406	344	289	
Cotton over 1-1/8 inch (Ashmouni).....	561	626	669	658	
Total.....	1,639	1,561	1,885	1,497	
Scarto (unclassified cotton)....	-	37	-	38	
Total including scarto.....	1,639	1,598	1,885	1,535	

Egypt's plans for acreage reduction for the 1956-57 cotton crop to 33 percent of total crop land (34 percent is the maximum including allowance for over-planting) are expected to result in a cut of approximately 70,000 acres below 1955-56. Planting was completed by mid-April, but no estimates of the actual acreage were yet available.

Cotton prices in Egypt have risen steadily since November 1955, and by March 1956 had reached a level that tended to discourage some buyers. Prices have been well above the minimum guaranteed price to growers, although at one time earlier in the season Ashmouni prices dropped near the floor. Indications of the upward trend are noted in the following table.

EGYPT: Comparison of average spot cotton prices at Alexandria, December 1955-February 1956, with minimum guaranteed prices to growers for 1955-56 crop

(In equivalent U. S. cents per pound)

Variety	Base grade	Average spot price 1/			Minimum price to growers
		1955	1956		
		Dec.	Jan.	Feb.	
Karnak.....	Good/Fully Good	46.05	48.03	52.53	40.13
Menoufi.....	Good/Fully Good	41.45	44.08	-	37.22
Giza 30.....	Good	34.38	38.28	44.83	34.32
Ashmouni.....	Good	33.15	34.88	39.41	31.99

1/ Prices exclude export tax of 4.77 cents per pound for Karnak and Menoufi, and 1.28 cents per pound for Ashmouni and Giza 30.

The Egyptian Government announced on March 21, 1956, that the minimum guaranteed prices to growers for cotton of the 1956-57 crop would be continued on the same basis as those for 1955-56. It was also announced that futures trading for the new crop would be permitted on the Alexandria Cotton Futures Exchange as of March 22, 1956.

Cotton consumption in Egypt during the September-March 1955-56 period amounted to 234,000 bales or 4 percent above the use of 224,000 bales in the corresponding period of 1954-55. Ashmouni cotton accounted for about 80 percent of this year's consumption, Giza 30 for 10 percent, and other varieties 10 percent. Only small quantities of Karnak and Menoufi are consumed locally.

Total stocks as of March 30, 1956, were estimated at 825,000 bales or 23 percent lower than those of 1,074,000 bales held a year earlier.

TURKEY'S CIGARETTE OUTPUT CONTINUES UPWARD

The Turkish Tobacco Monopoly's output of cigarettes during 1955 totaled 52.9 million pounds as compared with 52.3 million pounds in 1954. The output of cut tobacco has fluctuated between 5.5 and 7.0 million pounds since World War II. The output of other products is relatively insignificant.

GREEK CIGARETTE OUTPUT RISES

Cigarette output in Greece continued its upward trend through 1955. Cigarette production in 1955 totaled 23.0 million pounds in contrast to 11.9 million pounds during 1935-39. Output of other tobacco products is insignificant.

NEW INDO-YUGOSLAV TRADE AGREEMENT INCLUDES TOBACCO

A 3-year Trade and Mutual Technical Assistance Agreement was signed by India and Yugoslavia in New Delhi on March 31, 1956. The new agreement is valid from April 1, 1956 through December 31, 1959, and provides for the exportation of Indian tobacco as one of the items in exchange for Yugoslav industrial goods.

The agreement also provides for much closer scientific and technical cooperation between the two principals - sharing technological advances, the exchange of technical machines, provisions for training of technicians, and the exchange of technical equipment and machinery.

NORWEGIAN TOBACCO IMPORTS UP SLIGHTLY

Duty-paid imports of unmanufactured tobacco into Norway during 1955 totaled 9.5 million pounds -- up 2.2 percent from the 9.3 million pounds imported in 1954. The increase in imports during 1955 over the previous year was entirely from Southern Rhodesia.

Takings of United States leaf were 1 percent below the 1954 level of 8.1 million pounds and represented 83.7 percent of total imports as compared with 86.3 percent during 1954. Imports from such countries as Greece, Turkey, Indonesia, Brazil, and British East Africa were also slightly below the 1954 levels.

PAKISTAN NOW PRODUCING BURLEY

It has been reported from Karachi that almost 3,000 acres of Burley have been planted in Pakistan this year, although none has been grown previously there. This year about the same acreage of flue-cured was planted as in 1955 even though considerable stocks of unsold leaf are still in the hands of growers. The leading cigarette companies indicate that this leaf is well below the quality which they need.

The Khyber Tobacco Company's cigarette factory at Mardan is scheduled to start production next month.

SWEDEN'S TOBACCO IMPORTS
DOWN 3.3 MILLION POUNDS

Imports of unmanufactured tobacco by the Swedish Tobacco Monopoly during 1955 totaled 16.7 million pounds, 3.3 million pounds less than 1954 and 9.9 million pounds below the record high of 26.6 million pounds in 1951. Most of the decline occurred in reduced takings from the United States, Turkey, Brazil, Yugoslavia and Italy, while combined consignments from Southern Rhodesia and Canada increased substantially.

SWEDEN: Imports of unmanufactured tobacco during 1955,
with comparisons

Country of Origin	1953	1954	1955 1/
	1,000	1,000	1,000
	pounds	pounds	pounds
United States.....	11,166	11,618	9,757
Canada.....	-	-	1,793
Brazil.....	1,052	952	336
Greece.....	2,269	1,199	668
Turkey.....	2,304	2,194	593
India,,,,.....	958	-	-
Italy.....	602	686	445
Southern Rhodesia.....	853	1,206	1,353
Other British South Africa.....	629	853	76
Other.....	1,675	1,211	1,633
Total.....	21,508	19,919	16,654

1/ Preliminary.

Takings of United States leaf declined 1.9 million pounds from the 1954 level of 11.6 million pounds and represented 58.6 percent of total imports in contrast to 65.9 percent during the 1947-51 annual average. Most of the decline in United States leaf occurred in reduced takings of flue-cured, which were supplanted by increased consignments from Canada and Southern Rhodesia. However, according to a recent report, Swedish purchases of United States leaf during the 1955-56 season were about 35 percent larger than the preceding 1954-55 season.

Swedish stocks of leaf tobacco as of December 31, 1955 were about 7 percent below the 1954 total of 41.1 million pounds. Stocks of United States leaf were about 9 percent below the previous year's total of about 22 million pounds. The Monopoly's usings of leaf tobacco during 1955 totaled 18.4 million pounds, or a 7.8 percent increase above last year. Current stocks are equivalent to about 27 months' supply.

BELGIAN TOBACCO IMPORTS
UP 2.8 PERCENT

Imports of unmanufactured tobacco by Belgian manufacturers during 1955 totaled 48.4 million pounds, 1.4 million pounds larger than the 1954 level of 47.0 million pounds. Most of the increase occurred in larger takings from Greece, Bulgaria, Italy, India, Southern Rhodesia and the United States. Imports from Turkey, Brazil, Indonesia and the Philippines were slightly below 1954.

BELGIUM: Imports of unmanufactured tobacco during 1955,
with comparisons

Country of Origin	1953	1954	1955 <u>1/</u>
	1,000	1,000	1,000
	<u>pounds</u>	<u>pounds</u>	<u>pounds</u>
United States.....	21,160	20,313	20,490
Turkey.....	4,123	4,264	2,978
Greece.....	331	655	1,534
Bulgaria.....	637	57	701
India.....	2,255	2,705	2,939
Italy.....	386	741	1,213
Southern Rhodesia.....	966	1,144	1,453
Philippine Republic.....	1,107	1,122	1,014
Dominican Republic.....	3,578	3,563	3,565
Brazil.....	4,268	3,677	3,362
Paraguay.....	-	1,847	1,737
Indonesia.....	2,734	2,901	2,707
Others.....	5,719	4,059	4,665
Total.....	47,264	47,048	48,358

1/ Preliminary.

Takings of United States leaf increased about .2 million pounds from the preceding year, but represented only 42.4 percent of total imports in contrast to 59.7, 44.3, 44.8 and 43.2 percent from 1951 through 1954, respectively. Combined imports of Italian, Rhodesian and Indian leaf, presumably flue-cured, during 1955 were 3.7 million pounds larger than the 1947-51 annual average of 1.9 million pounds.

WINTER WHEAT CROP REDUCED
IN WESTERN EUROPE

Damage to winter grain crops was serious in parts of Western Europe as a result of insufficient snow cover during the severe cold of February. Greatest damage was reported from France, Belgium and the Netherlands.

Current reports from France indicate that over 50 percent of the winter wheat acreage was destroyed. Unusually cold weather, which extended through most of February and the first half of March, moderated in late March making it possible for farmers to prepare land for spring seeding of grain. Because of favorable conditions during March and April, it appears that a larger area was seeded to spring wheat than had been expected.

The current estimate of 2.5 million acres of seeded spring wheat greatly exceeds the normal acreage. Added to the present estimate of 5.4 million acres of winter wheat remaining undestroyed, a total of about 8 million acres may be harvested. This is sharply below the level of over 11 million acres during the past two seasons. The larger proportion of spring wheat this season is significant since winter wheat normally out-yields spring wheat varieties. With average yields, production would be about at the postwar level, 1945-49, providing little or no surplus for export.

Lack of rainfall during March and early April favored spring seeding operations, but is arousing some apprehension, as rains are needed, especially in the central and northern areas of France.

The percent of damage was also high in Belgium, winter wheat loss being officially placed at 47 percent of total acreage planted up to January 1. That estimate was made during early March under unfavorable weather conditions and is subject to change. Winter spelt suffered 44 percent damage and meslin (mixed wheat and rye) 37 percent. Winter rye damage was placed at 11 percent of the acreage seeded.

Loss of winter wheat in the Netherlands is now estimated to be about a third of that planted. Winter wheat acreage seeded was somewhat above the small acreage of a year ago, but if the loss is as large as presently estimated, the area remaining for harvest will be smaller than that harvested last year. Damage to rye is not considered significant.

The spring season is late in Western Germany and the extent of damage by the cold winter cannot be fully appraised. Unofficial statements indicate that over-all damage to winter wheat may be about 15 percent and to winter rye, 10 percent. If conditions for spring work continue favorable, total crop results may not be seriously affected by the frost damage.

Reports are favorable from Italy indicating that damage was not serious. Official estimates place the winter wheat acreage at 11.9 million acres, only slightly below the large 1955 area.

No significant damage to the grain crops in Spain is reported. Persistent rains with low temperatures in late March held up spring work, and seeding of late wheat varieties was postponed. Local floods are reported, but no significant damage is expected.

Frost damage to winter grains in Switzerland now appears more serious than was earlier expected. Total damage to wheat, meslin (wheat and rye mixed) and winter barley is estimated to be about 40 percent. Rye has shown high resistance to frost and little loss seems to have been sustained. Spring seeding was making good progress under favorable conditions at latest report with a prospect of reseeding being completed by mid-April.

Much land is under water in Yugoslavia's important commercial grain area in Vojvodina. Sizable tracts of low land are covered with water from sub-surface seepage. This is the result of heavy rainfall during the fall and first half of winter, which thoroughly saturated the land. Melting snows and high stream levels have added to the drainage problem. Estimates place one-tenth of the Vojvodina area under water, but evaluation of damage to fall grains is not yet possible. Spring crops are expected to be late.

Winter grain is reported in good condition in Greece but development has been delayed because of continued rain and cold weather.

In the United Kingdom damage appears to be less than was expected. Official reports at the beginning of April state that wheat made a good recovery in most districts and generally looks well, though a little patching and re-drilling was necessary in some districts. Fall wheat came through the winter in good shape in southern areas. Spring seeding at the beginning of April was much more advanced than normal.

Delayed seeding of winter wheat was reported in the main wheat area of Turkey. A rather severe winter has retarded growth and spring seeding has also been retarded. Fall seeded wheat is a month late in growth and spring seeding is also a month late. Extensive damage to winter grain was reported in the Ukraine, where most of the Soviet Union's winter wheat is grown.

CATTLE MOVEMENT FROM BAJA CALIFORNIA PROHIBITED

The territorial Government of Baja California, Mexico, has prohibited shipments of cattle to any outside destination as a means of preventing price advances for meat.

The Tijuana and Ensenada areas are experiencing a severe drought for the second successive year. At the end of March nearby San Diego county across the United States boundary reported the driest season in over 100 years. Scarcity of water and pasturage has sent the price of hay soaring.

Mexican ranchers have depleted feed reserves and many cattle are reported to have died of starvation. The restriction on shipments is to continue in force throughout the remainder of the year.

NO DEMAND FOR LARD IN
PHILIPPINE REPUBLIC

Hog lard is virtually never used in the Philippine Republic but pork fat trimmings are incorporated with either rice or vegetables in certain dishes held in high esteem. Raw pork fat is used for frying and other cooking.

Coconut oil is the common commercial cooking fat and is expected to continue to be the base of the edible oils and fats used in the country for years to come. Consumption is increasing and the product produced is of good quality.

A little lard was imported into the Philippine Republic prior to World War II, but this was imported in bulk and was utilized primarily by the baking trade. More recently all importations have ceased. There is no domestic production of lard.

Aside from a few restricted areas, there are neither racial or religious bans against the eating of pork and lard. Pork apparently is the favorite meat.

COLOMBIA DEVELOPING
MEAT PACKING INDUSTRY

A Canadian meat packing firm is planning to build a modern slaughterhouse at Bogota, Colombia and is reported to have the approval of the Colombian Government and the cattle producers. The same firm is reported to be taking over a slaughter house and refrigeration facility at Villavicencio.

It is believed that the completion of new packing facilities and the production of canned meats will be a way to cope with the problem of high cost of meat distribution and the resulting high prices for meat in the large cities. The inadequate transportation system, coupled with limited refrigeration facilities impedes the flow of livestock and meat from producing areas to consuming centers. The high costs of meat distribution must therefore be borne largely by the urban consumer.

Although livestock numbers have been increasing rapidly in recent years, Colombia has not become an exporter due to rising domestic demand. It is believed that Colombia has a great potential as a producer of livestock and meat. Colombia, a country with a population of 12 or 13 million, has more than 14 million cattle but only 2 or 3 million hogs.

CUBAN MEAT IMPORTS RISE

Meat imports in Cuba rose sharply in 1955, reaching 32 million pounds, or 50 percent more than a year earlier. Nearly all of the imports were supplied by the United States. Imports of livestock for breeding continued to increase as a result of strong interest in livestock improvement.

Imports of cured pork reached a record total of 31.5 million pounds in 1955 compared with 19.2 million a year earlier and 6 times the prewar average. The large importation resulted from favorable prices for these products in the United States and some improvement in the purchasing power of Cuban consumers.

Fresh beef imports totaled 493,000 pounds in 1955 compared with 570,000 pounds a year earlier. All of these imports were obtained in the United States. These imports were mostly of higher grade beef to supply the small but developing market for quality meat and American style cuts. No imports of jerked beef were recorded by Cuba in 1955 although almost a million pounds were imported in 1954. While a few consumers demand well finished beef cuts, most consumers prefer Cuban style cuts with the bone removed and the fat trimmed.

Numbers of both cattle and hogs continued to increase in 1955 and domestic output of both beef and pork increased slightly. A further rise in meat output is expected in 1956 but imports will depend largely on the level of consumer demand during the remainder of the year.

There is considerable interest in livestock improvement in Cuba as evidenced by the large number of cattle and hogs imported for this purpose. Imports of beef and dairy cattle rose from 1,271 head in 1954 to 4,001 head in 1955. Hogs increased from 749 head to 826. The number of sheep imported rose from 30 to 196 head. Brahman and Santa Gertrudis made up the principal beef breeds; Holstein, Jersey, and Brown Swiss, the principal dairy types. Poland China, Duroc Jersey, and Hampshire were the most popular imported breeds of hogs. Most of the imported livestock were from the United States.

INDIA TO PERMIT
EXPORTS OF WOOL

The Indian Government has authorized exports of raw wool during the April to September period of 1956. Unofficial estimates indicate that 15 to 20 million pounds of wool will be available for export. India normally exports 25 to 30 million pounds of wool (greasy basis).

The export quota for the October 1955 to March 1956 period was established at 30 million pounds. Less than 50 percent of this quota was shipped because prices were more favorable in the domestic market.

COSTA RICA'S CATTLE EXPORTS RISE

Costa Rica's exports of cattle and beef have increased substantially since 1953 and were valued at about \$1 million dollars in 1955. During that period cattle numbers and beef consumption have increased materially.

The Costa Rican government has been encouraging livestock production through special loans to producers. It has also permitted exportations at the free market rate of exchange to encourage greater production for export.

The principal markets for live cattle and meat are Colombia, Peru, and the Dutch West Indies Islands of Curacao and Aruba. Most of the exports have been live cattle although beef exports are now authorized.

The National Production Council of Costa Rica recently announced an agreement to export 500 head of cattle to Chile. In exchange Chile will export to Costa Rica sodium nitrate for fertilizer manufacture.

Recent Costa Rican cattle exports to Peru include the sale of 480 steers (average weight 926 lbs.) for 10.45 U. S. cents per pound, f.a.s. Puntarenas, Costa Rica.

Commercial cattle slaughter in 1954 was estimated at around 85,000 head; and beef consumption per person is probably somewhat less than 50 pounds. The United States has recognized the meat inspection system of Costa Rica. There are two firms in the country interested in the export trade (See Foreign Crops and Markets, April 2, 1956).

Cattle numbers in Costa Rica in 1955 were estimated at 804,000 head compared with the 1946-50 average of 556,000 and an average of 366,000 head in prewar. Costa Rica has a population of over 900,000.

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WORLD AGRICULTURAL TRADE NOTES

Brazil-Italy Trade Negotiations. An Italian delegation, headed by the Director General of the Ministry for Foreign Trade, arrived in Rio de Janeiro April 16 to negotiate a new trade and payments agreement with Brazil to replace the present agreement expiring April 30. Informed sources say that the principal subject for discussion will be the entrance of Italy into the ACL trading area. This is an arrangement for limited convertibility presently in effect between Brazil on the one hand and Germany, the United Kingdom, the Netherlands, and Belgium on the other. (See Foreign Crops and Markets of August 15, November 7, and December 19, 1955).

Argentina - Free Exchange for Pork Exports. Effective April 12, all exports of pork, hides, and hog by-products from Argentina, will be negotiated at the free market rate of exchange, currently about 40 pesos to the dollar. These commodities have been exported at the official rate of 18 pesos per dollar since last October 28.

BELGIAN DAIRY SITUATION IN 1955

Milk production in Belgium in 1955 set a new record of 8,283.2 million pounds, an increase of 1.5 percent over the preceding year and almost 6 percent over 1953. Usually, approximately 65 percent of the milk produced is used in the production of butter, 21 percent is sold as fluid milk for human consumption, 3 percent is used in the output of cheese, dried milk, evaporated and condensed milk and cream, and the remainder for animal feed.

In 1955, total butter production amounted to 199.5 million pounds, - only slightly below the 1954 level. Of this quantity, factory production was 99.4 million pounds, an increase of one percent above the previous year and ten percent above 1953.

Production of cheese of all types in 1955 rose to 37.0 million pounds, compared with 35.1 million pounds in 1954 and 33.5 million pounds in 1953. Output of hard and semi-hard types showed the largest increase. Production was more than 20 percent over 1954 and almost 10 percent over 1953. These types include Gouda, production of which was 5.6 million pounds in 1955 compared with 4.6 million pounds in 1954, and Port Salut, 1.5 million pounds in 1955 compared with 1.3 million pounds in 1954.

Overall production of other dairy products has been increasing during the past 3 years. Of the several products, the most significant increase in 1955 occurred in the output of evaporated whole milk, production of which amounted to 28.6 million pounds, approximately 68 percent over 1954 and almost 77 percent over 1953. Dried skimmed milk is produced in considerable quantity in Belgium, but during the past 3 years, there has been a slight downward trend in output, from 34.7 million pounds in 1953 to 33.7 million pounds in 1955.

SECOND POWDERED MILK PLANT TO BE BUILT IN VENEZUELA

Indulac, a Venezuelan subsidiary of Nestle-Borden Company, has plans for the construction of a second milk powder plant in Machiques, Venezuela. Machiques is situated in the State of Zulia where the bulk of Venezuela's milk is produced. The new plant will have an initial capacity of 454,000 pounds of milk daily. The company is also experimenting with cheese production at its present plant in Santa Barbara.

PRICE OF MILK FOR CHEESE
RAISED IN NEW ZEALAND

The New Zealand Dairy Products Marketing Commission has decreed, with the agreement of the Minister of Agriculture and the Dairy Board, that the Commission will pay an additional 0.58 cents a pound for all butterfat going to cheese manufacture during the present season. This increase in the payment for butterfat for cheese was forecast in December (See Foreign Crops and Markets, December 12, 1955), at which time it was announced that the Dairy Board and the Commission had agreed to separate the differential payment for cheese from the guaranteed price procedure. This rise increases the spread on the price of butterfat for cheese as against butterfat for butter from 2.92 cents a pound to 3.5 cents a pound butterfat.

The increase was approved because of the favorable prices received for cheese and because the United Kingdom market was continuing to show strength. Furthermore, the satisfactory prices received for casein and the improving situation in milk powder prices make it undesirable that there be any large swing from cheese to these other products at this time. The Commission stated that a resumption of the normal price relationship between butter and cheese was to be expected in the near future.

The Commission, through W. Marshall, its chairman, revealed that up to March 24, approximately 50 million pounds of cheese had been exported, realizing a surplus of \$3.8 million. This is compared with a net loss of more than \$3.9 million during the previous season's trading.

Butter exports up to March 24 have totaled about 124.4 million pounds and the trading resulted in a surplus of \$4.9 million.

While cheese prices have remained strong, some easing is noticeable on the United Kingdom market. As of April 3, New Zealand cheddar was being quoted at from 33.5 cents to 33.625 cents a pound in hundredweight lots. Butter, on the other hand, is under the guaranteed price. New Zealand's finest butter was being quoted at 40.25 cents a pound in London; this is about 2.375 cents a pound under the guaranteed price. Furthermore, since Western European countries are coming into the flush season, the butter market is expected to remain weak.

COSTA RICA AUTHORIZED
FREE EGG EXPORTS

Due to a seasonal surplus egg production, Costa Rica's National Production Council has authorized the free export of eggs, regardless of destination, during February through June, 1956. This authorization will be withdrawn if the domestic price of eggs exceeds 6.2 cents per egg. Export licenses will not be required during the stipulated period.

BURMA GETS FLUID MILK PLANTS

Burma's use of dairy products has previously been mainly for the flavoring and sweetening of tea and for use as infant food. Almost all of the products for such use have been imported, and condensed milk product imports have been the primary source of dairy foods. Within the last year and a half the use of fresh milk has received some impetus with the beginning of the Rangoon Dairy Farm, a private operation, and the Government Dairy Farm. The growth of these two dairies has been reported satisfactory, but the retail price has held back expansion somewhat.

The Rangoon Dairy was started about August 1954 and currently utilizes about 2,000 pounds of milk per day. The milk is pasteurized and bottled and delivered to homes and shops at about 25 cents a pint; the milk may also be sweetened and sold at the same price.

The Government's Agricultural and Rural Development Corporation started a dairy farm and milk sterilization plant just outside Rangoon. Sales of milk were not started until September 1955. The plant is sterilizing and bottling about 5,000 pounds of milk each day; the milk retails for about 11 cents for a 10-ounce a bottle. Sterilization is not fully efficient and the milk often has a buff color and a definite cooked taste.

The Industrial Development Corporation of the Burmese Government has built a condensed milk plant at Maymyo, about 40 miles from Mandalay. The plant is geared to a capacity of about 4,000 pounds every 4 hours, but is not yet in operation because of the insufficient supply of milk in the area. Most of the small supply in the area is sold as fluid milk.

CUBA: A MARKET FOR U.S. MARKET EGGS

Cuba imports approximately 6.5 million dozen eggs annually, or about half its domestic requirements. The United States generally supplies all these requirements because, during periods of seasonal scarcity of domestic eggs, the duty is greatly reduced or suspended entirely for eggs of United States origin only.

Recently the Government established import quotas to keep the market from becoming oversupplied. Therefore, to increase imports, it would be necessary to create a greater total demand. Because the average customer is not aware of quality and size differences in eggs, there are no price differentials by grades in the local markets. As a result, the quality of imported eggs is generally low. In fact, domestically-produced eggs sell for \$2.00 or \$3.00 a case more than United States eggs.

NEW ZEALAND DAIRY PRODUCTION INCREASING

Butterfat processed by New Zealand dairy factories for the eight months to the end of February was 3.3 percent above last year and 4.9 percent above the recent five-year average for the period. Creamery butter output totaled 369.2 million pounds, an increase of 5.4 percent over the previous year. Cheese production at 173.0 million pounds was down 10.3 percent from last year.

February butterfat processed by dairies amounted to 46.3 million pounds, a gain of 18.2 percent over February 1955, and 9.5 percent over the five-year average for the month. For the last two years February production has reflected the effects of the summer droughts in the principal New Zealand dairying areas. Butterfat production in February 1956, represents a return to a normal seasonal production pattern. Prospects are good for a well maintained level of production throughout most of the country during the autumn months.

SOLUBLE COFFEE PLANT INAUGURATED IN SAN SALVADOR

The first soluble coffee plant in Central America was put in operation in January, on the outskirts of San Salvador, and on March 17 a formal opening ceremony was held. Those present included the President of the Republic.

Productos de Cafe, S.A., is a Salvadoran corporation, participated in by IBEC International Basic Economy Corp.), TENCO (Ten Companies, Inc. of Linden, N. J., processors and distributors of 10 different brands of soluble coffee) and a group of Salvadoran businessmen who are also important coffee growers. The corporation is capitalized at US\$1.4 million. The Salvadoran group put up 50 percent, IBEC 30 percent and TENCO 20 percent.

The plant produces two grades of soluble coffee; the stronger is marketed locally under the name of LISTO, the blander shipped to Linden, N. J. for blending with the coffee being processed by the TENCO companies. Shipment is being effected on the air cargo service of Pan American World Airways. Some 70,000 pounds have been shipped up to the present. Plans are already being made to increase the plant's present capacity about 40,000 bags of green coffee a year, and the management reports that it has oversold the local demand.

It would not appear to have any particular effect on coffee growers, unless it should be discovered that certain grades of coffee are superior for making the soluble product. The company expects to market the bulk of its product in the United States, but some interest is already reported to have been shown by the European trade.

TARIFF CHANGES FOR FRUITS AND VEGETABLES

A number of countries recently exercised their rights under Article XXVIII of the General Agreement on Tariffs and Trade (GATT) to renegotiate their existing concessions. Recent announcements of interest to the fruit and vegetable trade are as follows:

Description	Rate Structure	
	Old	New
<u>Dominican Republic</u>		
Ex 1010 Prepared foods for children, chief value, fruit, imported in containers with a net content of not more than 5½ oz., provided their use is indicated thereon		
Pesos per net kilo	0.60	0.20
Ex 1044(a) Same, chief value vegetables, dehydrated or not	0.20 <u>1/</u>	0.15
<u>Finland</u>		
20-015 Preparation and preserves of pine-apples, grapefruit, pears, apricots, peaches or mixed fruits, not including juice	25%	45%
Ex 20-018 Pineapple and citrus fruit juices, with an alcoholic content not exceeding 3% by volume, even if sweetened	25%	40%
08-020 Dried apricots and peaches	15%	12%
08-026 Dried mixed fruit	15%	12%
<u>France</u>		
Ex 20-07 Fruit juices and vegetable juices, whether or not containing added sugar, but unfermented and not containing spirit:		
A. Not containing added sugar, whether or not concentrated.		
a. Orange juice	15%	30%
b. Lemon juice	10%	30%
c. Other citrus fruit juices	15%	30%
d. Grape juice	15%	30%
e. Tomato juice	15%	30%
f. Apple and pear juices	10%	30%
g. Other fruit and vegetable juices	15%	30%

Description	Rate Structure	
	Old	New

France (contd.)

B. Sweetened, containing per liter:

a. Not more than 150 gr. of added sugar	20%	30%
b. More than 150 gr. of added sugar	25%	30%

Ex 08-02 Citrus fruit, fresh or dried:

A. Oranges (Sweet or bitter)

6/1 - 8/31 inclusive	25%
Other	35%

a. 3/15 - 6/14 inclusive	25%
b. 6/15 - 9/30 inclusive	20%
c. Other	35%

1/ Old rate, if dehydrated, was 0.40

SIZE OF 1956 ITALIAN
ALMOND CROP UNCERTAIN

Considerable confusion prevails in the Italian trade regarding the damage caused by the February-March cold weather to the oncoming Sicilian and Bari almond crop. Until the first week of April, it was generally conceded that Sicily escaped with only minor damage, but that Bari was badly hit. However, now it is reported that the Bari crop will not be so bad off, but that the crop in Sicily may be worse than was earlier expected. Opinions on the size of the 1956 crop in both areas range widely, and several weeks are needed to make a meaningful calculation of the crop damage.

Prices have been slowly declining from their mid-season highs and are now in the vicinity of 84 to 86 cents per pound f.o.b. for upgraded Baris. Only very small lots are being cleared, and reportedly the margins for exporters are being squeezed so tightly that some firms find it hardly worth the risk of committing several million lire solely to make a profit of a few thousand lire on a small sale. Practically no one is engaging in futures contracts so far this year, because of the disastrous consequences suffered during the last two years by some operators.

1955 FOREIGN DRIED FIG PRODUCTION DOWN 15 PERCENT

Commercial dried fig production in 1955 in the leading producing countries abroad is estimated at 148,700 short tons, or 15 percent below 1954 production.

In those countries where figs are of most commercial significance to the United States, namely, Greece, Portugal, and Turkey, estimated production in 1955 was 5,300 tons less than in 1954, but 4,500 tons more than the 5-year (1948-52) average.

FIGS, Dried: Estimated commercial production in specified countries, average 1948-52, annual 1951-55

Country	Average 1948-52	1951	1952	1953	1954	1955 <u>1/</u>
- - - - - Short tons - - - - -						
Algeria.....	28,400:	34,000:	29,500:	36,400:	37,100:	<u>3/</u>
Argentina.....	800:	1,100:	400:	1,100:	1,400:	1,700
Greece.....	25,400:	27,400:	21,700:	32,000:	30,000:	28,000
Italy.....	56,600:	39,700:	38,000:	49,600:	57,900:	43,100
Portugal <u>2/</u>	10,700:	11,700:	7,400:	9,500:	11,100:	9,800
Syria-Lebanon.....	5,400:	4,200:	3,300:	3,300:	3,900:	3,100
Turkey.....	28,200:	27,600:	30,900:	33,000:	33,000:	31,000
Foreign total..	155,500:	145,700:	131,200:	164,900:	174,400:	<u>3/</u> 148,700
United States.....	28,100:	29,500:	28,300:	24,400:	25,600:	25,300
Grand Total....	183,600:	175,200:	159,500:	189,300:	200,000:	174,000
<u>1/</u> Preliminary. <u>2/</u> Merchantable figs only. <u>3/</u> 1950-54 average for Algeria included in "Total."						

Early season conditions have been reported as favorable for the 1956 crop in Greece and Turkey.

United States imports, for which official statistics are available only through January 1956 of the current season, amounted to 3,408 tons of all categories of figs for the period September 1955 - January 1956. This was 775 tons less than the 4,183 tons imported in the corresponding period of 1954-55. Unofficial figures on arrivals indicate that approximately 1,500 tons of fig paste have come into the United States since January.

FIGS 1/: Imports into the United States by country of origin, averages 1935-39, 1945-49, annual 1950- 1955

Year beginning September 1

Type and Country of origin	Averages		1950	1951	1952	1953	1954	1955 2/
	1935-39	1945-49						
----- Short tons -----								
Figs - dried								
Greece.....	1,133	725	3,311	1,282	1,550	2,855	2,057	1,527
Italy.....	458	132	134	134	156	201	227	174
Portugal.....	32	15	492	665	61	601	853	360
Turkey.....	1,164	888	1,056	1,035	364	232	173	203
Spain.....	-	-	8	205	1	2	1	44
Other.....	16	2	3/	2	0	0	3/	0
Total...	2,803	1,762	5,001	3,323	2,132	3,891	3,311	2,308
Fig paste								
Turkey.....	-	-	0	1,024	815	2,370	4,300	3
Bulgaria.....	-	-	0	62	0	0	0	0
Portugal.....	-	-	0	0	0	83	207	758
Syria.....	-	-	0	0	0	18	0	0
Total...	-	-	0	1,086	815	2,471	4,507	761
Figs - prepared or preserved								
Italy.....	-	-	131	158	252	224	173	233
Greece.....	-	-	0	0	0	0	107	90
Others.....	-	-	1	3/	3/	0	0	0
Total...	-	-	132	158	252	224	280	323
Figs - fresh or in brine								
Italy.....	-	-	-	-	17	35	22	16
Greece.....	-	-	-	-	17	0	13	0
Turkey.....	-	-	-	-	0	0	4	0
Total...	-	-	-	-	34	35	39	16
Grand total....	2,803	1,762	5,133	4,567	3,233	6,621	8,137	3,408

1/ Prior to Jan. 1, 1949 imports were classified simply as "Figs." Jan. 1, 1949 - Aug. 31, 1952 classified as: "Figs fresh, dried or in brine", "Fig paste" and "Figs prepared or preserved." Sept. 1, 1952 and subsequently classified as: "Figs dried", "Fig paste", "Figs prepared or preserved" and "Figs fresh or in brine." 2/ Five months, September 1955 - January 1956. 3/ Less than one-half ton.

Compiled from official records Bureau of the Census.

ARGENTINA SELLS GRAPEFRUIT TO UNITED KINGDOM

According to the British Chamber of Commerce, arrangements have been made for the sale of 30,000 boxes of Argentine grapefruit to the United Kingdom.

ECUADOR'S BANANA PRODUCTION
CAUSES OVER-SUPPLY IN WORLD MARKET

Increased banana production in Ecuador has created an over-supply in the world market. In recent years, independent planters in Ecuador have brought into production an additional 150,000 acres and increased production from 11 million stems in 1951 to 27 million stems in 1955.

MALAYAN PALM OIL EXPORTS INCREASE
WHILE KERNELS DECLINE

Malaya exported 61,268 short tons of palm oil and 13,596 tons of palm kernels in 1955. Compared with 1954, oil exports increased 11 percent and kernel exports declined 13 percent. The United Kingdom took 80 percent of the palm oil and most of the remainder went to Canada and India. About one-fourth of the kernels was shipped to the United Kingdom and the rest to continental Europe.

(Note: Data for palm oil and palm kernel exports for January-September 1955 in the table on page 728 of Foreign Crops and Markets of December 19, 1955, were erroneous. Totals should have read as follows: Palm oil- 45,406 tons and palm kernels- 10,046.)

MALAYA: Palm oil and palm kernel exports, average 1935-39,
annual 1954 and 1955

(Short tons)							
Country	Palm oil			Palm kernels			
	Average:	1954	1955 <u>1/</u>	Average:	1954	1955 <u>1/</u>	
	:1935-39:		:1935-39:	:1935-39:		:1935-39:	
Canada.....	9,599:	13,043:	6,641:	- :	- :	- :	-
Denmark.....	- :	- :	- :	226:	2,036:	112	
Western Germany...	- :	1,303:	- :	1,410:	1,781:	2,946	
France.....	- :	- :	- :	- : <u>2/</u>	3,270: <u>2/</u>	2,044	
India.....	908:	14,214:	5,330:	- :	- :	-	
Netherlands.....	- :	4,969:	- :	1,304:	7,852:	4,821	
United Kingdom....	23,270:	18,973:	49,026:	2,115:	- :	3,371	
Other countries....	13,583: <u>3/</u>	2,713:	271:	3,077: <u>3/</u>	773: <u>4/</u>	303	
Total.....	47,360:	55,215:	61,268:	8,132:	15,712:	13,596	

1/ Preliminary. 2/ Includes shipments to Corsica. 3/ Exports of palm oil to Belgium amounted to 1,433 tons; palm kernels - 560 tons. 4/ All to Greece. Compiled from official sources.

Nearly all Malayan palm oil is sold abroad with only small sales made locally to soap and edible-products factories. Although Malayan palm oil usually contains less than 5 percent free fatty acid, soap manufacturers generally prefer oil of lower-grade, with a less costly free fatty acid content of around 10 percent.

The price of palm oil has shown strength recently and advanced 8 pounds sterling per long ton (\$20.00 per short ton) f.o.b. Singapore during February and March. The price on April 12 was 85 pounds per long ton (\$212.50 per short ton).

Palm oil production in 1955 was about 5 percent greater than the 60,424 short tons produced in 1954. The Area planted to palms at the beginning of 1955 was 110,000 acres.

MEXICO'S PRODUCTION AND CONSUMPTION OF VEGETABLE FATS AND OILS EXPECTED TO INCREASE

Mexico's production and consumption of vegetable fats and oils are expected to increase about 6 percent in 1956. Production in 1955 at an estimated 225,000 short tons was 12 percent larger than in the previous year, due entirely to the 30 percent increase in cottonseed oil output. Consumption in 1955 was essentially the same as in 1954.

Table 1 - MEXICO: Production of vegetable oils,
1954, 1955 and forecast 1956

(Short tons)

Vegetable oil	: 1954	: 1955	: Forecast : 1956
Cottonseed.....	87,510	113,925	121,255
Coconut.....	49,080	49,605	52,917
Palm kernel.....	10,250	10,250	10,915
Sesame seed.....	43,330	41,665	31,745
Peanut.....	2,205	3,305	2,755
Linseed.....	5,245	3,000	4,495
Castor.....	1,300	860	1,740
Rapeseed.....	1,850	2,205	2,205
Total.....	200,770	224,815	228,027

Compiled from unofficial sources.

As a result of the nearly one-third increase in cottonseed crushings from the large 1955 cotton crop, cottonseed oil production rose to 113,925 tons in 1955. Consumption was 102,900 tons. Carryover on January 1, 1956, was 427,690 tons of seed and 33,000 tons of oil.

The trade reports that this carryover is being depleted rapidly and a cottonseed oil shortage may develop before new-crop crushings begin. The 1956 production and consumption of oil is estimated at 121,255 tons.

Copra and coconut oil production in 1955, at 82,670 and 49,600 tons, respectively, were at about 1954 levels. New coconut plantings are reported in the producing areas but competition from the fresh coconut market has been increasing. Production in 1956 is expected to increase about 7 percent from 1955.

Palm kernel and palm kernel oil production in 1955- 16,535 and 10,250 tons, respectively-also were estimated to have been about the same as in 1954. Previously reported hurricane damage is now considered to have been negligible. Production of palm kernel oil in 1956 is expected to be up about 6 percent from last year.

About 41,700 tons of sesame seed oil was produced in 1955. Seed production at 71,650 tons declined nearly 30 percent from 1954 but the carryover on January 1, 1955, of 89,000 tons of seed permitted crushings almost equal to those of 1954. Oil production this year, however, is expected to be down about one-fourth, despite the expected increase in seed production. This is because of the reduced carryin stock as of January 1.

Peanut production amounted to 88,000 tons in 1955 and output of peanut oil went to 3,300 tons, an increase of 50 percent from the year before. Although several factors contributed to the increase in oil production, a higher percentage of cull peanuts from the 1955 crop probably was the most important. The excessive rains resulted in the harvest of peanuts in varying stages of development. Other contributing factors were the large carryover from the 1954 crop and the strong demand for vegetable oils. The reduction in acreage in 1956 probably will result in 6 percent less peanuts.

Flaxseed and linseed oil production dropped sharply in 1955 to 394,000 bushels and 3,000 tons, respectively. Late harvest of the Central Mexico crop resulted in a January 1 carryover of seed for 1956 crushing. The 1956 forecast is for a 100 percent increase in the crop with about 330,700 bushels of seed available for export.

Castor bean production in 1955, at 2,200 tons, decreased by about one-third from 1954 due to smaller plantings and poor yields. The 1956 crop in the southern production area suffered considerable damage from cold weather. However, new plantings reported from the State of Sonora are expected to result in production of 4,400 tons of beans and to raise domestic castor oil production to about 1,740 tons.

Production of rapeseed last year was reported at 7,935 tons- one-fifth more than in 1954. Oil production was 2,200 tons. As the bulk of production of rapeseed is from wild plants, forecasts of future production are difficult to make.

Table 2 - MEXICO: Production of principal oil-bearing materials, 1954, 1955 and forecast 1956
(Short tons)

Oil-bearing material	1954	1955	Forecast 1956
Cottonseed.....	700,775	855,385	803,135
Copra.....	82,905	82,670	88,185
Palm kernels.....	16,535	16,535	17,635
Sesame seed.....	99,205	71,650	99,205
Peanuts, unshelled.....	88,185	88,185	82,670
Flaxseed 1/.....	16,535	11,020	22,045
Castor beans.....	3,305	2,205	4,410
Rapeseed.....	6,615	7,935	7,935
1/ Equivalent in 1,000 bushels:	1954-591; 1955- 394; 1956-787.		

Compiled from official sources.

Table 3 - MEXICO: Trade in major oilseeds and vegetable oils, 1954 and 1955
(Short tons)

Commodity and country	1954	1955
<u>Exports</u>		
Peanuts, shelled		
United States.....	1,020	11,679
Canada.....	14,813	10,187
Other countries.....	228	22
Total.....	16,061	21,888
Peanuts, unshelled		
United States.....	270	664
Canada.....	3,184	2,797
Other countries.....	1,221	914
Total.....	4,675	4,375
<u>Imports</u>		
Cottonseed (for planting)		
United States.....	6,928	11,762
Other countries.....	0	42
Total.....	6,928	11,804
Cottonseed oil		
United States.....	9,984	1
Other countries.....	0	1/
Total.....	9,984	1
Olive oil		
Spain.....	1,121	1,089
Other countries.....	51	27
Total.....	1,172	1,116
Palm oil		
United States.....	2,026	636
Other countries.....	23	16
Total.....	2,049	652

1/ Less than .5 ton.

Compiled from official sources.

Peanuts and flaxseed are the only oilseeds to be exported from Mexico in significant quantities in 1956. Exports of peanuts will be reduced somewhat by the loss of the abnormal market in the United States last year occasioned by the short 1954 United States crop. However, Canada will continue to be the major buyer. Although about 60 percent of the 1956 crop of flaxseed is planted for export, permits probably will be granted for only 40 percent, because of expectations that domestic requirements will be met before exports are permitted.

Imports of vegetable oils during 1956 are expected to be slightly larger than in 1955. Olive oil requirements are forecast at about 1,175 tons, linseed oil at 330 tons, palm oil at about 650 tons, and soybeans at 7,000 bushels. While requests have been made for import permits for cottonseed oil, it is not expected that any significant volume will enter Mexico during 1956.

COPRA PRODUCTION IN PAPUA AND NEW GUINEA WELL ABOVE PREWAR LEVEL

Production of copra in the Australian Territories of Papua and New Guinea is now well above prewar levels, averaging about 90,000 long tons per year. This is a substantial increase from the 12,000 tons and less per year which were produced right after the war. Production reached nearly 100,000 tons in the 1954-55 year.

The importance of this increase can be seen in the fact that coconut products normally have comprised the major exports of the Territories. Nearly all the coconuts produced are exported in the form of copra. Since 1952, however, approximately 15,000 tons of copra per year have been crushed in New Guinea and exported as oil as part of the contract mentioned on the next page.

COPRA: Exports from Papua and New Guinea 1/ 1947-48 through 1954-55
(years ending June 30)

(Long tons)						
Year	:	Papua	:	New Guinea	:	Total
1947-48.....	:	8,094	:	18,887	:	26,981
1948-49.....	:	9,458	:	36,925	:	46,383
1949-50.....	:	10,791	:	47,094	:	57,885
1950-51.....	:	11,181	:	64,301	:	75,482
1951-52.....	:	14,540	:	62,365	:	76,905
1952-53.....	:	12,240	:	69,805	:	82,045
1953-54.....	:	11,588	:	86,835	:2/	98,423
1954-55.....	:	16,846	:	76,703	:3/	93,549

1/ Includes copra equivalent of coconut oil exports: 2/ 26,318 tons to Australia; remainder to United Kingdom. 3/ 29,339 tons to Australia; remainder to United Kingdom.

The "surplus" copra production of Papua and New Guinea is that quantity above Australia's requirements. It is exported to the United Kingdom under a nine-year contract which is due to expire at the end of 1957. Under this agreement sales to the United Kingdom are at a pre-determined price, which may vary annually up or down but not more than 10 percent of the previous year's price. The price, under the agreement, for 1956 is set at £ 58.10.0 (approximately \$164) per long ton, f.o.b. territory ports. The Australian market for copra is supplied at the equivalent of the United Kingdom contract price.

Exports of copra, including the equivalent of locally produced oil and meal, for the years of 1947-48 through 1954-55 are shown in the table on the opposite page.

The marketing of all copra from Papua and New Guinea is handled by the Copra Marketing Board. The Board fixes prices of copra in the Territory and carries out the requirements of the Australian-United Kingdom Agreement. After 1957 the industry will market its copra in direct competition with other producers and also in competition with other fats and oils. It is not certain what marketing procedure will be adopted, although it appears that most growers favor some form of controlled marketing. A ballot of growers to be taken at a later date will determine whether future copra and copra products will be exported on a trade to trader basis, by a Marketing Board, or some combination of the two.

Copra purchases by the Copra Marketing Board from January 1, 1956 were made at the following prices, delivered main Copra Board Depots, per long ton: Hot air dried, £A (Australian pound) 62.10.0 (approximately \$140); fair merchantable sun dried, £A 61.15.0 (\$138); smoke dried, £A 59.0.0 (\$132). These prices are above the present open-market equivalent and therefore, are entirely satisfactory to producers.

Because prewar copra prices had tended to fluctuate widely, with some periods of depressed prices, a Copra Stabilization Fund was established by the Australian Government as part of its postwar rehabilitation program. Under this plan a fund has been accumulated, through grower contributions, which will provide a means to cushion any drastic fall in copra prices.

ECUADOR'S IMPORTS OF EDIBLE FATS AND OILS DROP IN 1955; SHORTENING OUTPUT RISES

Total 1955 imports of edible fats and oils into Ecuador of 2,749 tons (including, in addition to lard, 583 tons of cottonseed oil and 312 tons of olive oil) were equivalent to but little more than half of the import volume in 1954 which totaled 4,781 tons.

Imports of hog lard into Ecuador, all from the United States, were only 1,854 short tons in 1955 and there were no imports of vegetable shortening. In 1954 combined imports of these commodities amounted to 4,681 tons, of which lard accounted for about 4,400 tons.

Domestic production of vegetable shortening reportedly rose from 3,250 tons in 1954 to 5,000 tons in 1955. Ecuador's lard production, officially estimated at 6,500 tons for 1954, is thought to have been about the same volume last year. Vegetable oil output was 740 tons in 1955, down from the previous year's 900 tons.

Imports of industrial fats and oils, about three-fourths of animal origin, declined from 6,218 tons in 1954 to 5,420 tons in 1955.

A somewhat unusual aspect of the 1955 trade picture was the importation of 297 tons of palm oil. No previous imports of this commodity into Ecuador--a traditional, though small, producer of palm oil--are on record since prewar. Annual imports in 1935-39 averaged only 18 tons. 784 tons of coconut oil were imported, compared with 229 tons of copra in 1954.

The total value of Ecuador's 1955 fats and oils imports from the United States exceeded 1.4 million dollars, of which 3,440 tons of inedible animal fats accounted for the major share, followed by lard. The United States also supplied most of the palm and coconut oil imported in 1955, for a total value of \$100,000.

Ecuador's exports of castor beans in 1955 were 7,151 tons, as compared to 10,643 tons in 1954. Most of these 1955 exports were to the United States.

CHILE REVISES FOREIGN EXCHANGE SYSTEM

On Friday, April 20, 1956, Chile inaugurated a new import and exchange system. This new system aims at simplifying a complex structure of multiple rates. On the basis of Government Decree 357, all authorized trading firms may import, without quantitative restrictions, any merchandise falling within certain broad categories; including among others, animal products, agricultural products, food and textiles. They may buy exchange in a "free market" at a fluctuating rate. On the opening day rates were quoted at about 500 Chilean pesos to the U. S. dollar. Chilean exporters, (except copper, nitrate and iron exporters), must sell their exchange proceeds in the same market.

Under the old system a rate of 300 pesos applied to most export proceeds and rates of 303,203 and 110, depending upon the classification of merchandise, to most imports.

SUEZ CANAL OILSEEDS TRAFFIC UP IN FEBRUARY; SOYBEAN MOVEMENT DOWN

Northbound traffic of oilseeds through the Suez Canal in February totaled nearly 256 thousand short tons, up considerably from the 181 thousand tons passing through the Canal during the corresponding month of 1955. This sharp increase was due in large part to the 51,800 tons of copra shipped, nearly 3 times the volume of the 18,700 tons exported in February 1955, and the large increase in peanuts, which totaled 70,500 tons as compared with 31,900 tons in February a year earlier.

According to the Le Canal De Suez Bulletin, the larger peanut shipments were due to loadings in China which at 56,200 tons were more than double the 23,100 tons of February 1955. Nearly half of the 1956 total reportedly has been destined for Western Europe.

Despite the increase in oilseed traffic, shipments of soybeans, totaling 1,580 thousand bushels, were down 38 percent from February 1955.

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